

# Missouri Aerospace Report to the General Assembly

For the Period Ending December 31, 2020



Missouri Department of  
**Economic Development**

The Missouri Aerospace Industry Job Creation Act was enacted to facilitate the creation of at least two thousand new jobs within ten years following the approval of a Notice of Intent pursuant to section 620.2020, RSMo. It went into effect on August 28, 2016.

The Missouri Aerospace Industry Job Creation Act is a performance-based incentive, such that the benefits are not provided until the actual retained or new payroll is documented at the end of each year of the company's benefit period. In addition, each company that participates in the program must execute an agreement with the Department of Economic Development (DED) to insure compliance, record keeping, and minimum job retention or creation.

Pursuant to section 620.2475.1 (3), RSMo., the DED is required to provide an annual report providing:

- The state benefits received,
- The state benefits projected to be received by the aerospace project, and
- The number of minorities that have been trained under the Missouri Works Training Program pursuant to sections 620.800 to 620.809.

The company's benefits for the job retention project depend on the average number of retained jobs at the end of the company's tax year. The actual benefits received by calendar year are as follows:

### **Total Retention Benefits Received as of December 31, 2020**

<b>Company Name/Requestor Program</b>	<b>Year of Benefits</b>	<b>Mo Works Project Type</b>	<b>Average # of Retained Jobs</b>	<b>% of Withholding on Retained Jobs</b>	<b>Total Tax Credit Issued</b>
The Boeing Company	Year 1 (2015)	Discretionary	14,117	15.90%	\$11,361,171.05
The Boeing Company	Year 2 (2016)	Discretionary	13,846	15.90%	\$10,864,872.75
The Boeing Company	Year 3 (2017)	Discretionary	13,288	15.90%	\$11,064,295.95
The Boeing Company	Year 4 (2018)	Discretionary	13,900	15.90%	\$11,682,763.48
The Boeing Company	Year 5 (2019)	Discretionary	13,900	15.90%	\$11,746,981.29

In 2018, the company submitted a Notice of Intent for new jobs under section 620.2475, RSMo. In doing so, the company capped the number of retained jobs on which it may earn benefits at 13,900. Below is an updated chart estimating the benefits that Boeing may earn for the remainder of the job retention project period. The benefit is impacted by the wages and the amount of withholdings remitted on the full-time jobs.

### Retention Benefits Estimated to be Received for Years 6-10

Estimated Retention Benefit Calculation Years 6-10:						
State Average Wage	\$51,134	Benefit Year 1                      2015				
County Average Wage (St. Louis County)	\$51,134					
Average Retained Job Wages						
As a % of County Average Wage	212%					
Average Wage for retained jobs	\$101,465					
	Year 6 (2020)	Year 7 (2021)	Year 8 (2022)	Year 9 (2023)	Year 10 (2024)	Total
<b>Retained Jobs</b>	13,900	13,900	13,900	13,900	13,900	
<b>New Payroll</b>	\$1,611,390,963	\$1,659,732,692	\$1,709,524,673	\$1,760,810,413	\$1,813,634,726	
<b>Estimated Total WH</b>	\$69,128,672	\$71,202,532	\$73,338,608	\$75,538,767	\$77,804,930	
<b>Total Tax Credit Benefit (% WH)</b>	\$10,991,459	\$11,321,203	\$11,660,839	\$12,010,664	\$12,370,984	<b>\$58,355,149</b>
Jobs between 13,250 -14,384 at 15.9% of withholdings benefit (the company is capped at 13,900 jobs, based on the new jobs Notice of Intent submitted)						

The company's benefits for the new job project depend on the average number of new jobs at the end of the company's tax year. The actual benefits received by calendar year are as follows:

### New Jobs Benefits Received as of December 31, 2020

Company Name/Requestor Program	Year of Benefits	Mo Works Project Type	Average # of New Jobs	% of Withholding on New Jobs	Total Tax Credit Issued
The Boeing Company	Year 1 (2020)	Discretionary	1,116	7.00%	\$3,134,305.12

Below is an updated chart estimating the benefits that Boeing may earn for the remainder of the project period. The benefit is impacted by the wages and the amount of withholdings remitted on the full-time jobs.

### New Jobs Benefits Estimated to be Received for Years 2-6

Estimated Retention Benefit Calculation Years 2-6:						
State Average Wage	\$51,134	Benefit Year 1      2020				
County Average Wage (St. Louis County)	\$51,134					
Average Retained Job Wages						
As a % of County Average Wage	180%					
Average Wage for retained jobs	\$86,000					
Year 2 (2021)		Year 3 (2022)	Year 4 (2023)	Year 5 (2024)	Year 6 (2025)	Total
New Jobs	2,000	2,000	2,000	2,000	2,000	
New Payroll	\$177,160,000	\$182,474,800	\$187,949,044	\$193,587,515	\$199,395,141	
Estimated Total WH	\$12,401,200	\$12,773,236	\$13,156,433	\$13,551,126	\$13,957,661	
Total Tax Credit Benefit (% WH)	\$12,401,200	\$12,773,236	\$13,156,433	\$13,551,126	\$13,957,661	\$65,839,656

### MINORITY TRAINING PROGRAM

Lastly, there were no training benefits provided under section 620.2475, RSMo., and consequently there have been no minorities that have been trained under the Missouri Works Training Program.